

# INTRODUCTION

Scheduled commercial airline service is a cornerstone of Idaho's economy. Businesses, residents, and visitors all depend on commercial airline service. A study undertaken by the Idaho Transportation Department in 1998 showed that annually, Idaho derives at least \$1.2 billion in annual economic benefit from activities at its seven commercial airports. These economic benefits are derived from spending by visitors who arrive in Idaho via the scheduled air carriers and from the activities of businesses and tenants located at each of the commercial airports.

Recognizing the importance of commercial airline service, the Idaho Transportation Department, Division of Aeronautics, undertook a study to assess current demand in each commercial airport's market area. This report provides a summary of the findings from that study.

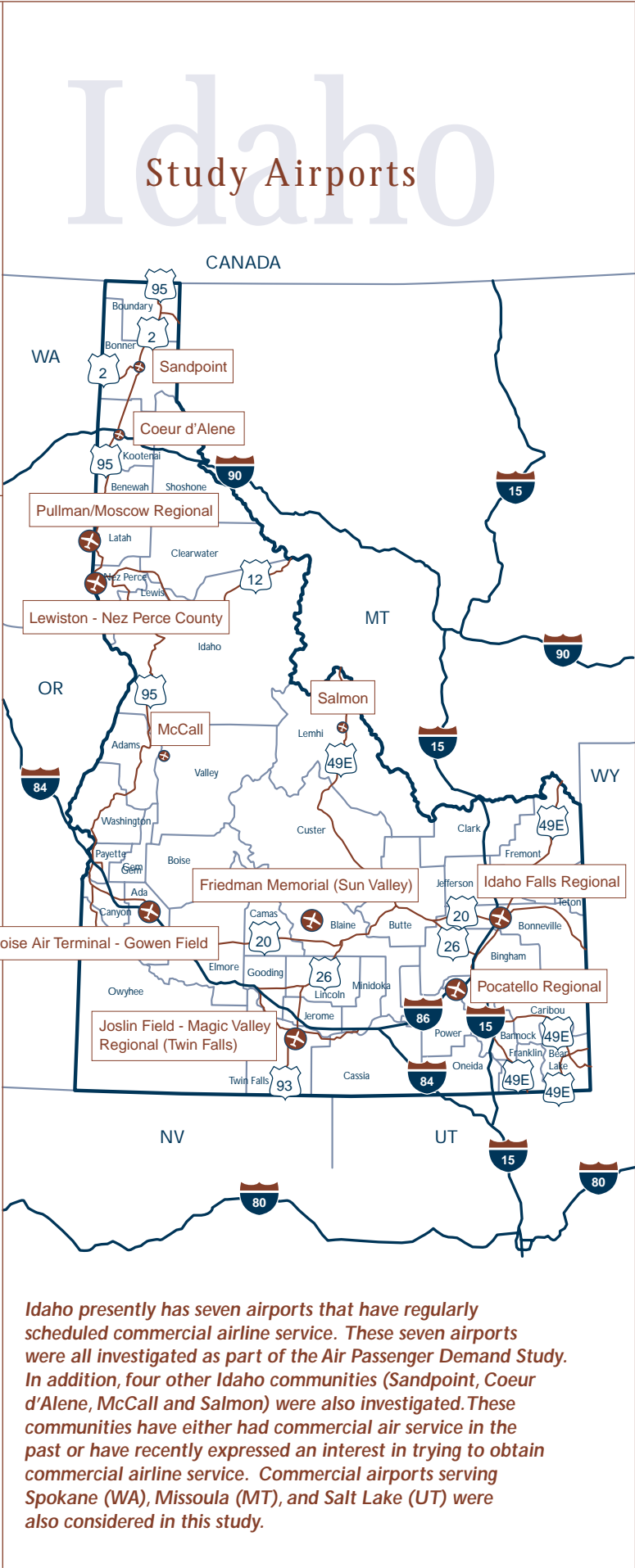
# STUDY OVERVIEW

Idaho currently has seven commercial service airports. While Boise Air Terminal/Gowen Field is served by an extensive mix of carriers providing non-stop service on large commercial jets to many different locations, the remaining commercial service airports in the State have more limited commercial airline offerings. Idaho's typical commercial service airport has service by one or two airlines to one or two destinations; this service is provided on smaller regional/commuter aircraft, including, in some instances, the regional jet.

Each county in Idaho has some inherent level of demand for commercial airline travel. Factors such as population, employment, income, and tourism usually determine any particular county's need for commercial airline travel. Where a county's demand for commercial airline travel is captured served is based on the choices the traveler has for making his or her airline trip. In today's deregulated commercial airline environment, travelers often drive up to three hours to obtain airline service that meets all of their specifications.

The Air Passenger Demand Study for Idaho included an extensive diagnostics effort to secure base data for study analyses. Travel agent and passenger surveys were conducted, and parking lot inventories were completed. These efforts, in conjunction with a model that considers a variety of socio-economic and demographic characteristics, were used to estimate the current demand for commercial airline travel for each Idaho county.

Idaho has experienced notable growth in recent years. Between 1990 and 2000, according to Census data, population in the State grew about four times faster than the U.S. average. At the same time, employment in Idaho increased at two times the national rate of growth. While per capita personal income in Idaho continues to lag behind the national average, by 2010, Idaho's average per capita personal income level is expected to exceed the national average. All of these factors speak to increasing demand for commercial airline service in Idaho.



*Idaho presently has seven airports that have regularly scheduled commercial airline service. These seven airports were all investigated as part of the Air Passenger Demand Study. In addition, four other Idaho communities (Sandpoint, Coeur d'Alene, McCall and Salmon) were also investigated. These communities have either had commercial air service in the past or have recently expressed an interest in trying to obtain commercial airline service. Commercial airports serving Spokane (WA), Missoula (MT), and Salt Lake (UT) were also considered in this study.*

# STATE TRAVEL CHARACTERISTICS

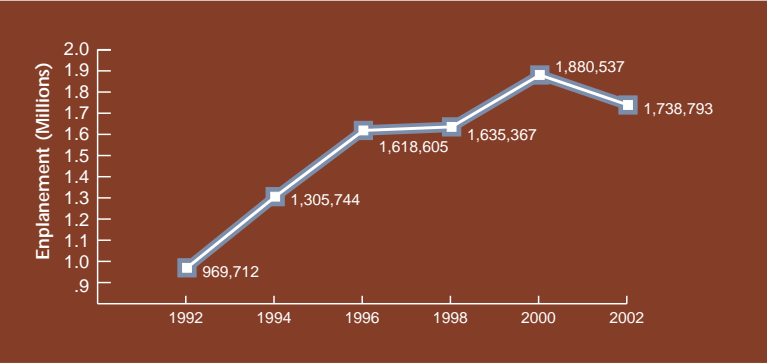
Information on travelers using Idaho's commercial airports indicates that an estimated 54 percent are residents of the State and the remaining 46 percent are visitors. During peak vacation times, the percentage of visitor related travel undoubtedly increases. Those using Idaho's commercial airports indicate that they most often purchase their airline ticket directly from the Internet; the reported sources for airline ticket purchase are as follows:

- 48% Internet
- 19% Travel Agent
- 18% Airline
- 14% In-House Corporate Travel
- 1% Other

## Trends in Airline Service

	Boise Air Terminal		Avg. All Other Idaho Airports	
	1992	2002	1992	2002
Avg. Weekly Departures	425	530	106	59
Avg. Weekly Departing Seats	24,800	44,140	3,235	2,455
Avg. Seats Per Flight	58	83	30	42
No. of Airlines	8	14	2.3	1.8
No. of Non-Stop Destinations	18	29	4.7	3.0

## Statewide Idaho Enplanements



## Airport Enplanement and Fare Histories

1992	650,846	\$174.00	Boise Air Terminal/ Gowen Field
2002	1,393,158	\$117.00	
1992	124,683	\$180.00	Idaho Falls Regional
2002	114,143	\$170.00	
1992	39,556	\$142.00	Lewiston - Nez Perce County
2002	61,138	\$134.00	
1992	35,165	\$195.00	Pocatello Regional
2002	46,877	\$159.00	
1992	32,915	\$131.00	Pullman/Moscow Regional
2002	27,173	\$126.00	
1992	50,496	\$165.00	Friedman Memorial (Sun Valley)
2002	64,515	\$159.00	
1992	36,051	\$170.00	Jostlin Field - Magic Valley Regional (Twin Falls)
2002	31,794	\$153.00	

Those passengers responding to surveys conducted for the Air Passenger Demand Study note that they often leave a local airport market area to drive to a more distant airport to begin their commercial airline trip. In almost every instance, the competing airport is larger, offering both more travel choices and lower fares. In some cases, the competing airport is another airport in Idaho, and in other instances, the competing airport is located in a nearby state. Results from the study indicate that, on average, originating passengers associated with counties throughout Idaho often drive 225 miles to a competing airport if they are able to save approximately \$100 on their round trip airline fare.

# HISTORIC AND CURRENT TRENDS

Between 1992 and 2002, total enplaned (boarding) passengers at all seven commercial airports increased from 1.39 million to 1.74 million. This represents an average annual compound growth rate of almost 5.5 percent. Over this same time frame, the average rate for growth for enplaning passengers at all U.S. commercial airports was 2.7 percent. It is worth noting that the majority of the State's increase in enplaned passengers occurred at Boise Air Terminal.

One of the reasons that commercial airline travel increased in Idaho is the notable drop in average one-way airline fares the State experienced. In 1992, the average one-way commercial airline fare from all Idaho airports was reported by the United States Department of Transportation at \$165; by 2002, this one-way average fare had fallen to \$145. While this average is still slightly above the U.S. average, more competitive airline fares in Idaho have almost certainly stimulated some demand for commercial airline travel both to and from the State.

While passenger enplanements have increased at some Idaho airports, they have declined at others. While all Idaho airports report lower average one-way fares in 2002 than they had in 1992, most have also witnessed declining levels of airline service. When all Idaho commercial airports, except Boise Air Terminal, are considered, a distinct pattern of changing commercial airline service is evident. On average, all other Idaho airports report fewer departures, fewer departing seats, fewer airlines, and service to fewer non-stop destinations. The average size (seats provided) of the commercial aircraft serving all other Idaho airports has, however, increased; and as noted, fares have fallen.